

## Terms of Business

### Introduction

These terms of business, together with our Engagement Letter and any relevant scope of services documents, form the Contract between McCoy & Co Limited ("McCoy & Co") and all addressees of the Engagement Letter. If there is any conflict between these terms of business and the Engagement Letter, the Engagement Letter will prevail. You accept and agree to these standard terms of engagement by continuing to instruct us.

In these standard terms of engagement "we", "us" and "the firm" (whether capitalised or not) means McCoy & Co and "you" means our client identified as such in an Engagement Letter or as otherwise agreed by us.

If we are acting for any party to an engagement and we receive conflicting advice, information or instructions from different persons, we may refer the matter to the board of directors, trustees, partners or proprietors of the entity (as applicable) and act only as requested by them.

### 1. Services

1.1 We will provide the services described in the Engagement Letter or any other agreed scope of services document or written communication.

1.2 You are responsible for determining that the scope of the services is sufficient to meet your needs.

1.3 We will rely on the information you provide and will not verify that information:

- i. the services provided by us do not involve an "audit" or "review" of the information provided to us. Accordingly, a Compilation Report disclaimer will apply to any financial reports we prepare. This does not diminish our professional obligations and duties but advises third parties of the work undertaken;
- ii. the services provided by us are not to be relied upon to disclose internal control weakness, errors, illegal acts or other irregularities, for example, fraud or non-compliance with laws and regulations applicable to any individuals or entities; and

- iii. we are not responsible for the work of any other person whom you engage to perform work in conjunction with our services.

### 2. Our Responsibilities

2.1 Unless specifically stated to the contrary in the Engagement Letter or any agreed scope of services document we will:

- i. assign an appropriately qualified and skilled team member to carry out the engagement. Every engagement will be undertaken with reasonable care and under the supervision of a McCoy & Co Director;
- ii. use our best efforts to deliver the desired outcomes within agreed or anticipated timeframes and costing. Timetabled dates are intended for planning and estimating purposes only and are not contractually binding; and
- iii. comply with all applicable by-laws, rules, regulations, professional and ethical standards and obligations to you as required by Chartered Accountants Australia and New Zealand and the NZ Institute of Chartered Accountants.

2.2 If the services or your reliance on the services provided by us depends upon laws, regulations or interpretations by the Courts or Government agencies, we are not responsible for any changes in those laws, regulations or interpretations (whether or not having retrospective effect) which occur after the date of our reports to you and are not required to notify you of such changes.

### 3. Client Responsibilities

3.1 You agree that:

- i. it is your responsibility to ensure that all information provided to us and which we will rely on without verification, is true, accurate and not misleading;
- ii. you will provide information and assistance to us in a timely fashion to enable services to be completed before any applicable deadline. Where we prepare your GST, PAYE, FBT, RWT, DWT and NWRT we require that you provide all necessary information and records at least seven days prior to the due date for filing of returns;
- iii. responsibility for the accuracy and completeness of any financial statements and tax returns completed by us rests with you;
- iv. where we file returns we do so on your behalf and not as principal; and
- v. responsibility for penalties or interest arising from any error in your financial

statements or income return(s), or for any other reason (e.g. failure to pay taxation when due) rests with you.

3.2 You understand and give us permission to act as your agent and obtain and provide information to Inland Revenue and where applicable, tax pooling providers, in dealing with taxation matters.

3.3 You understand and give us permission to act as your agent and obtain and provide information to ACC. You are responsible for the payment of all insurance and levies by the due date.

3.4 You agree that we can approach such third parties as may be appropriate for information we consider necessary.

3.5 Where we provide services to your company(ies), you understand and give us permission to act as your agent and obtain and provide information to New Zealand Companies Office. You agree that responsibility for ensuring compliance with the Companies Act 1993 and Financial Reporting Act 2013 remains with company directors.

3.6 Where we hold software subscriptions on your behalf, we hold delegated control of access rights on your behalf. You have the option to act as subscriber and invite us into the subscription and may request this transition in writing at any time. You maintain responsibility for reviewing and adhering to subscription terms of use, including but not limited to: maintaining adequate backups of data entered to protect yourself in the event of technical issues, cyberattacks or accidental deletions; granting software vendors license to use, copy or modify your data in order to provide and improve their service provision; and ensuring use of the software complies with relevant laws and does not cause harm to the service or vendors reputation.

3.8 You agree to advise us of any changes in details such as contact information, changes of key office holder changes or personal circumstances, to enable us to fulfil any obligations resulting from these changes.

3.9 You agree to advise all personnel who visit your premises what is required of them in relation to health and safety matters.

#### **4. Documents**

4.1 During the course of our work we will collect information from you and others acting on your behalf. Material you provide to us remains yours. Files and documents we hold will be retained confidentially for at least the minimum period stipulated by any relevant legislation.

4.2 While we would normally return the original of any document belonging to a client that

has enduring significance, you otherwise agree that records that are your property filed among our papers may be destroyed once statutory record keeping obligation periods have lapsed.

4.3 You agree that any working papers prepared by us in relation to this engagement remain the property of McCoy & Co and we have no obligation to disclose these to you or any other person.

4.4 Any oral comments or drafts of written reports or any other communications made prior to the final written report or other final product do not represent our final conclusions and should not be relied upon.

4.5 If we are provided with custody of any company or trust documents on your behalf, including registers, deeds and constitution documents, those documents will be retained during the course of our appointment. At the end of our engagement they will be returned to you, unless separate arrangements have been made. We will be entitled to retain copies.

4.6 Should you transfer to another accountant we will provide them with digital copies of the most recent financial statements, tax return summaries, and any other relevant working papers we have prepared. Where we hold software subscriptions on your behalf we will transfer these to the new accountant or you, as instructed.

4.7 We reserve the right, in appropriate circumstances, to exercise a lien over any documents and files belonging to you which may be in our possession until all fees rendered have been paid.

#### **5. Electronic Communications**

5.1 When we communicate in writing, we will communicate by electronic means unless otherwise agreed. These communications can be subject to interference or interception or contain viruses or other defects (corruption). We each agree to take reasonable precautions to protect our own information technology systems, including implementing reasonable procedures to guard against viruses and unauthorised interception, access, use, corruption, loss or delay of electronic communications. Notwithstanding the foregoing, we do not accept responsibility and will not be liable for any damage or loss (direct or indirect) caused in connection with the corruption of an electronic communication.

5.2 We produce electronic newsletters and conduct seminars for clients, which cover a range of topics. We may add you to our database so that you will receive newsletters and invitations to seminars that we consider will be useful to you. However,

please let us know if you do not want to receive any such correspondence.

## **6. Outsourcing, Confidentiality & Privacy**

6.1 We may utilise the services of The Back Room Ltd in New Zealand and the Philippines and other third parties from time to time to prepare financial statements and returns. To perform the services, we provide these third parties with access to your data stored on our server, and data stored in software provided by software-as-a-service suppliers (e.g. Xero) which is stored on commercial servers or Amazon Web Services (according to supplier policy). All information is provided in accordance with our Privacy Policy.

6.2 We may utilise the services of tax pooling intermediaries from time to time to manage your tax affairs. To perform the services, we provide these third parties with access to your data to the extent this is required to perform the services. This may require information being sent to these service providers in accordance with our Privacy Policy.

6.3 As members of Chartered Accountants Australia New Zealand (CAANZ), we are required to comply with our membership obligations and the NZICA Code of Ethics. These obligations include practice reviews, investigations and disciplinary processes and duties to disclose non-ethical behaviour or non-compliance with laws or regulations. These obligations may require us to disclose to CAANZ, their reviewers and/or its disciplinary bodies our files and work papers including client information. By allowing us to undertake this engagement, you acknowledge and agree that your records and information in our possession which support our working papers relating to yours or any associated individual's affairs may be required by CAANZ for these purposes. Please note the same ethical standards regarding confidentiality that we adhere to apply equally to CAANZ employees and contractors.

6.4 We will notify you as soon as practicable (unless restricted by law) where we receive a legal mandatory notice or request for access to our work papers from a third party or regulator (for example, Inland Revenue). If legal advice is required as to whether any information or documents which may be subject to either legal or accountants' professional privilege, may be retained and not provided to the third party, then all costs for such advice will be your responsibility.

6.5 Under the Tax Administration Act 1994 you are entitled to exercise your right of non-disclosure of tax advice documents which have been created either by you or by McCoy & Co. Tax advice documents can include most forms of paper and electronic communications between yourself and

McCoy & Co, which have either been created by you instructing us to provide you with tax advice or created by us in order to provide you with tax advice. It is also intended that the advice remain confidential. A claim that a document is a tax advice document must be made by you or by McCoy & Co, where we are authorised to act on your behalf for the purposes of the non-disclosure provisions in the Tax Administration Act 1994.

6.6 If you receive an Information Demand from Inland Revenue in respect of our advice, you agree to notify us as soon as practicable in order that a timely decision can be made on the claiming of non-disclosure in respect of that advice.

6.7 In accepting this engagement, you are providing us with express consent to disclose your information to the providers listed above and our professional advisors or insurers to protect our interests in relation to our engagement. We will not otherwise disclose information we obtain in the course of this engagement to other parties, without your express consent, except as required by law and regulations (e.g. under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009).

6.8 We may collect, store, use and disclose your personal information for the purposes of providing the services described in our engagement letter to you, to meet our obligations as outlined above or as part of our regular IT back-ups and archiving practices. We will take reasonable steps to ensure any such recipient keeps such information confidential on the same basis we maintain.

6.9 We will comply with the Privacy Act 2020 when collecting, storing, using and sharing your personal information. Additional information about how personal information is collected, stored and used is set out in our Privacy Policy, available on our website.

## **7. Identity Verification & Customer Due Diligence**

7.1 McCoy & Co Limited are subject to anti-money laundering laws. As a reporting entity, we are required to report to the Department of Internal Affairs and Financial Intelligence Unit annually. Our obligations may require us to confirm your identity and complete customer due diligence before we are allowed to act, or continue to act, on your behalf. Should we be unable to complete customer due diligence to our satisfaction, we may terminate our engagement with you.

7.2 McCoy & Co are also subject to tax administration legislation. Inland Revenue require us to satisfy ourselves that any information you authorise us to access belongs to you and/or that you have authority to grant access of information on behalf of non-individuals. Accordingly, we may be

required to verify your identity and confirm your authority to act.

7.3 We utilise the services of Verifi Identity Services Ltd ("Cloudcheck") to conduct electronic identity verification checks. You agree to provide the necessary information when requested (electronic links are provided to enable you to access and complete the required checks) and consent to information being checked by authorised third parties and McCoy & Co for identity and address verification purposes.

## **8. Service Costs**

### **8.1 Fees and Charges**

8.1.1 Our fees are based on a number of considerations including time spent on the work, its complexity and importance, and the degree of skill, knowledge and responsibility involved.

8.1.2 You will be sent an invoice either on completion of the work undertaken, or if the work may take some time, interim accounts will be sent to you.

8.1.3 Any fee estimate is given in good faith but is not contractually binding. Estimates are given as a guide only and not as a fixed quotation. We are also happy to discuss a fixed or capped fee with you should you prefer this option.

8.1.4 Software subscriptions, tax audit insurance or other agreed third-party services will be charged to you along with monthly fees and are payable on the same terms. We may be paid an administration fee, commission or referral fee by Xero, MYOB, Accountancy Insurance, iPayroll or other providers for facilitating the connection and/or administering subscriptions on your behalf.

8.1.5 Any travel or other extraordinary charges incurred on your account will be charged to you along with your monthly fees and are payable on the same terms.

8.1.6 Normal disbursements will not be on-charged to you for small items such as postage, photocopying, Companies Office searches etc.

### **8.2 Payment Terms**

8.2.1 Payment of all invoices is due 20 days after the date of invoice. We reserve the right to require you to pay some or all of our fees in advance.

8.2.2 Any queries regarding an invoice must be brought to our attention within 7 days of receiving the invoice.

8.2.3 If you are likely to have difficulty paying any invoice, please discuss this with us and we will endeavour to come to an arrangement that suits all parties.

8.2.4 We reserve the right to charge interest at 2% per month, cumulative on any unpaid accounts where a satisfactory arrangement for settlement has not been reached.

8.2.5 In the event that our invoice(s) are overdue, we reserve the right to suspend the engagement until the invoices are paid, require payment for future fees in advance or terminate the engagement.

8.2.6 In the event we need to take recovery action from you, you will be liable to reimburse us our actual costs of taking that action (e.g. legal or debt collection fees).

8.2.7 We reserve the right to disclose your name and address to a credit agency to perform a credit reference or to undertake credit management processes if we deem this necessary.

8.2.8 You personally accept responsibility for and guarantee payment in full of fees billed by McCoy & Co to you and the associated parties listed in your Letter of Engagement.

## **9. Liability and Indemnity**

9.1 You agree to indemnify us for all costs incurred on your behalf in good faith.

9.2 You agree to indemnify and hold harmless McCoy & Co Limited against any and all losses, claims, actions, demands, expenses, damages, liabilities or any other proceedings whatsoever incurred by us in respect of any claim by a third party arising out of or in any way related to any breach by you or your employees or your obligations under this Agreement, or for a Force Majeure event.

## **10. Resolving Disputes**

10.1 If you have any concerns or complaints about our services please raise them as soon as possible with the Director responsible for this engagement or with our Practice Manager. We undertake to investigate any complaints we receive promptly and will endeavour in good faith to resolve the matter with you in a way that is fair and mutually satisfying to you and to McCoy & Co.

10.2 If you are not able to reach a satisfactory resolution, you may be entitled to refer the matter via Chartered Accountants Australia New Zealand to the New Zealand Institute of Chartered Accountants (NZICA) professional conduct body.

10.3 If the dispute is not resolved through these channels, all parties agree that this engagement is covered by New Zealand law and that New Zealand courts have exclusive jurisdiction.

## **11. Termination of Contract**

11.1 Our relationship is one involving a very high degree of trust and confidence between us. This engagement may be terminated by any party by written notice at any time.

11.2 You will pay McCoy & Co for all services provided up to the date of termination. Where you terminate the contract before we have completed services, you will pay any additional costs that we incur in connection with the early termination.

11.3 While all parties reserve the right to resign from the engagement, the arrangements outlined in these terms will otherwise continue in effect from year to year. Provisions of these terms which expressly or by implication are intended to survive its termination or early expiry will survive and continue to bind both parties.

## **12. General**

12.1 We may amend these terms at any times where we consider it necessary or appropriate to do so. We will publish such changed terms on our website and each change will bind you in respect of any matters or work in which we are instructed by you after the publication of the change on our website. If you do not accept such amendments, you must notify us promptly in writing, in which case you may terminate our engagement and those amendments will not apply prior to such termination.